

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

CARPENTERS HEALTH AND SECURITY  
TRUST OF WESTERN WASHINGTON;  
CARPENTERS RETIRMENT TRUST OF  
WESTERN WASHINGTON; CARPENTERS-  
EMPLOYERS VACATION TRUST OF  
WESTERN WASHINGTON; and  
CARPENTERS-EMPLOYERS  
APPRENTICESHIP AND TRAINING  
TRUST OF WESTERN WASHINGTON,

Plaintiffs,

v.

McKNIGHT CONSTRUCTION, LLC, a  
Washington limited liability company;  
DORRELL McKNIGHT, an individual,

Defendants.

Cause No. 18-cv-1117

COMPLAINT FOR MONETARY  
DAMAGES

**I. PARTIES**

1.1 Plaintiff Carpenters Health and Security Trust of Western Washington (“Carpenters Health Trust”) is a Taft-Hartley trust fund established to provide and maintain hospital, medical, dental, vision, disability or death benefits and any other similar benefits, or any combination thereof as the Trustees may determine in their discretion for the benefit

1 of the Employees and their beneficiaries. The Carpenters Health Trust maintains its  
2 principal office in Seattle, King County, Washington.

3 1.2 Plaintiff Carpenters Retirement Trust of Western Washington (“Carpenters  
4 Retirement Trust”) is a Taft-Hartley trust fund created to provide retirement and associated  
5 death benefits for employees and their beneficiaries. The Carpenters Retirement Trust  
6 maintains its principal office in Seattle, King County, Washington.

7 1.3 Plaintiff Carpenters-Employers Vacation Trust of Western Washington  
8 (“Carpenters Vacation Trust”) is a Taft-Hartley trust fund created to provide vacation  
9 benefits for employees. The Carpenters Vacation Trust maintains its principal office in  
10 Seattle, King County, Washington.

11 1.4 Plaintiff Carpenters-Employers Apprenticeship and Training Trust Fund of  
12 Western Washington (“Carpenters Apprenticeship Trust”) is a Taft-Hartley trust fund  
13 created to defray, in whole or in part, costs of apprenticeship or other training programs for  
14 the education of apprentices and journeymen carpenters. The Carpenters Apprenticeship  
15 Trust maintains its principal office in Seattle, King County, Washington.

16 1.5 The Plaintiffs are commonly referred to collectively as the Carpenters Trusts  
17 of Western Washington (the “Carpenters Trusts”).

18 1.6 Defendant McKnight Construction, LLC (“McKnight Construction”) is a  
19 Washington limited liability company with its principal place of business in Bellingham,  
20 Whatcom County, Washington.

21 1.7 Defendant Dorrell McKnight is an individual believed to be residing in  
22 Bellingham, Whatcom County, Washington. Mr. McKnight is the sole member/governor of  
23 McKnight Construction and is the company’s registered agent.

## **II. JURISDICTION AND VENUE**

2.1 This Court has exclusive jurisdiction over the First, Second, and Third Causes of Action pursuant to §502(e)(1) of the Employee Retirement Income Security Act of 1974 (“ERISA”), codified at 29 U.S.C. §1132(e)(1). This Court has supplemental jurisdiction over the Fourth Cause of Action pursuant to 28 U.S.C. §1367.

2.2 Venue in this Court is proper pursuant to §502(e)(2) ERISA, codified at 29 U.S.C. §1132(e)(2), and pursuant to agreement between the parties.

## **III. FACTS**

3.1 On July 7, 2017, Dorrell McKnight, identifying himself as “Member,” executed a Project Agreement on behalf of McKnight Construction with the Pacific Northwest Regional Council of Carpenters (the “Union”). The Project Agreement incorporates by reference the terms and conditions of the *2015 – 2018 Agreement between Associated General Contractors of Washington and Carpenters, Piledrivers, and Millwrights of the Pacific Northwest Regional Council of Carpenters affiliate of the United Brotherhood of Carpenters and Joiners of America*, effective June 1, 2015 (the “Master Labor Agreement”):

1. DESIGNATED LABOR AGREEMENT: The employer adopts and agrees to abide by the following Labor Agreement:

☒ Western & Central WA Master Labor Agreement Rep by:  
AGC of Western WA Effective: 6/1/15 to 5/31/18.

3.2 By signing the Project Agreement, McKnight Construction agreed to make fringe benefit contributions to the Carpenters Trusts and be bound by the terms and conditions of their respective trust agreements:

6. TRUST FUND OBLIGATIONS: The undersigned Employer hereby becomes a party to the applicable Trust Agreements for the trust funds or their successors identified in the designated Labor Agreement. The Employer agrees to be bound by the written provisions and procedures of said Trust Agreements, and any present or future amendments, and to any successor Trust Agreements. Employer accepts as its lawful representatives, the employer trustees who are now or who may hereafter serve on the Board of Trustees of the respective Trusts as determined by the Trust Agreements.

3.3 Prompt payment of wages and fringe benefit contributions is an essential term of the Project Agreement.

3.4 The Carpenters Trusts are beneficiaries under the terms of the Project Agreement and the Master Labor Agreement.

3.5 By executing the Project Agreement as discussed above, McKnight Construction agreed to the terms of the (i) Carpenters Health & Security Trust of Western Washington; (ii) Carpenters Retirement Trust of Western Washington; (iii) Carpenters-Employers Vacation Trust of Western Washington; and (iv) Carpenters-Employers Apprenticeship and Training Trust of Western Washington.

3.6 McKnight Construction's obligations under the Carpenters Health Trust are set forth in Article II, Sections 8 – 13, and Article IV, Section 17 of the *Revised Trust Agreement of the Carpenters Health and Security Trust of Western Washington*, dated January 1, 1998, and as amended. Under the Carpenters Health Trust, McKnight Construction agreed to, among other things:

- Submit its reports on or before the 15th day of the calendar month following the month in which the contributions are payable, even if the company had no employees for that period of time;
- Comply with a request to submit any information, data, report or other documents reasonably relevant to and suitable for purposes of administration of the trust, as requested by the trust funds;

- Payment of liquidated damages of twelve percent (12%) on all delinquent contributions;
- Payment of interest of not less than seven percent (7%), nor more than eighteen percent (18%); and
- Payment of the trust fund's attorney fees, costs of collection, and auditor's fees.

3.7 McKnight Construction's obligations under the Carpenters Retirement Trust are set forth in Article II, Sections 8 – 13, and Article IV, Section 17 of the *Revised Trust Agreement of the Carpenters Retirement Trust of Western Washington*, dated January 1, 1998, and as amended. Under the Carpenters Retirement Trust, McKnight Construction agreed to, among other things:

- Submit its reports on or before the due date specified in the trust agreement or as set by the trustees, even if the company had no employees for that period of time;
- Comply with a request to submit any information, data, report or other documents reasonably relevant to and suitable for purposes of administration of the trust, as requested by the trust funds;
- Payment of liquidated damages of twelve percent (12%) on all delinquent contributions;
- Payment of interest of not less than seven percent (7%), nor more than eighteen percent (18%); and
- Payment of the trust fund's attorney fees, costs of collection, and auditor's fees.

3.8 McKnight Construction's obligations under the Carpenters Vacation Trust are set forth in Article II, Sections 8 – 13, and Article IV, Section 17 of the *Revised Trust Agreement of Carpenters-Employers Vacation Trust of Western Washington*, dated January 1, 1998, and as amended. Under the Carpenters Vacation Trust, McKnight Construction agreed to, among other things:

- 1           ▪     Submit its reports on or before the due date specified in the trust
- 2                 agreement or as set by the trustees, even if the company had no
- 3                 employees for that period of time;
- 4           ▪     Comply with a request to submit any information, data, report or other
- 5                 documents reasonably relevant to and suitable for purposes of
- 6                 administration of the trust, as requested by the trust funds;
- 7           ▪     Payment of liquidated damages of twelve percent (12%) on all
- 8                 delinquent contributions;
- 9           ▪     Payment of interest of not less than seven percent (7%), nor more than
- 10                eighteen percent (18%); and
- 11           ▪     Payment of the trust fund's attorney fees, costs of collection, and
- 12                auditor's fees.

13           3.9     McKnight Construction's obligations under the Carpenters Apprenticeship  
 14     Trust are set forth in Article II, Sections 8 – 13, and Article IV, Section 17 of the *Revised*  
 15     *Trust Agreement of Carpenters-Employers Apprenticeship and Training Trust Fund of*  
 16     *Western Washington*, dated January 1, 1998, and as amended. Under the Carpenters  
 17     Apprenticeship Trust, McKnight Construction agreed to, among other things:

- 18           ▪     Submit its reports on or before the due date specified in the trust
- 19                 agreement or as set by the trustees, even if the company had no
- 20                 employees for that period of time;
- 21           ▪     Comply with a request to submit any information, data, report or other
- 22                 documents reasonably relevant to and suitable for purposes of
- 23                 administration of the trust, as requested by the trust funds;
- Payment of liquidated damages of twelve percent (12%) on all
- delinquent contributions;
- Payment of interest of not less than seven percent (7%), nor more than
- eighteen percent (18%); and
- Payment of the trust fund's attorney fees, costs of collection, and
- auditor's fees.

3.10 Upon information and belief, following execution of the Project Agreement McKnight Construction used employees to perform work on each of the designated projects subject to the Master Labor Agreement. McKnight Construction also began its monthly reporting and payment of fringe benefit contributions to the Carpenters Trusts.

3.11 McKnight Construction submitted its monthly contributions reports to the Carpenters Trusts. However, McKnight Construction did not provide full payment of its reported fringe benefit contributions.

3.12 As of the date of this complaint, McKnight Construction owes the Carpenters Trusts \$9,213.64 in fringe benefit contributions for the period February 1, 2018 through February 28, 2018, \$1,002.00 in liquidated damages, plus additional amounts for ancillary charges including prejudgment interest, attorney fees, and costs of collection.

#### **IV. CAUSES OF ACTION**

##### **First Cause of Action (Breach of Labor Agreement/Trust Agreement)**

4.1 The Carpenters Trusts reallege each and every allegation contained in ¶¶3.1 – 3.12, above.

4.2 McKnight Construction's failure to properly report and pay fringe benefit contributions constitutes breaches of the terms of the Project Agreement and the Master Labor Agreement between the Union and McKnight Construction, to which the Carpenters Trusts are beneficiaries. McKnight Construction's failure to fully pay fringe benefit contributions it reported also constitutes breaches of the Trust Agreements, the terms of which McKnight Construction agreed to when it signed the Project Agreement.

4.3 As a result of McKnight Construction's breach, the Carpenters Trusts have been damaged in an amount to be proven at trial, but not less than \$10,215.64, plus other ancillary charges including prejudgment interest, attorney fees, and costs of collection.

**Second Cause of Action  
(Violation of ERISA)**

4.4 The Carpenters Trusts reallege each and every allegation contained in ¶¶3.1 – 3.12, above.

4.5 McKnight Construction's failure to report and pay fringe benefit contributions constitutes a violation of §503(a)(3), §515 ERISA, codified at 29 U.S.C. §1132(a)(3), §1145.

4.6 As a result of McKnight Construction's violation, the Carpenters Trusts have been damaged in an amount to be proven at trial, but not less than \$10,215.64, plus other ancillary charges including prejudgment interest, attorney fees, and costs of collection.

**Third Cause of Action  
(Breach of Fiduciary Duty)**

4.7 The Carpenters Trusts reallege each and every allegation contained in ¶¶3.1 – 3.12, above.

4.8 Defendant Dorrell McKnight is responsible for McKnight Construction's reporting and payment of fringe benefit contributions to the Carpenters Trusts.

4.9 Defendant McKnight, for purposes of ERISA, is a fiduciary of trust fund assets, because he exerted control over employee deductions withheld for payment to the Carpenters Trusts.

4.10 Defendant McKnight has failed to turn over trust fund assets, consisting of \$546.00 in employees' vacation pay to the Carpenters Trusts, despite demand.



1           4.11 Defendant McKnight's failure to remit trust fund assets is a breach of  
2 fiduciary duty under ERISA, and has damaged the Carpenters Trusts in an amount to be  
3 determined at trial, but not less than \$546.00.

4                                   **Fourth Cause of Action**  
5                                   **(Conversion)**

6           4.12 The Carpenters Trusts reallege each and every allegation contained in ¶¶3.1 –  
7 3.12, above.

8           4.13 Defendant McKnight withheld dues from McKnight Construction's employee  
9 paychecks pursuant to the terms of the Master Labor Agreement. However, McKnight did  
10 not remit them to the Carpenters Trusts' administration office with the company's monthly  
11 reports.

12           4.14 Defendant McKnight's actions were performed for and benefitted McKnight  
13 Construction, and give rise to a cause of action for conversion.

14           4.15 Defendant McKnight's failure to remit employee dues deductions to the  
15 Carpenters Trusts' administration office has damaged the Carpenters Trusts in an amount to  
16 be determined at trial, but not less than \$863.68.

17                                   **V. REQUESTED RELIEF**

18           The Plaintiff Carpenters Trusts respectfully request the Court grant the following  
19 relief:

- 20           A. Judgment in favor of the Carpenters Trusts against McKnight Construction,  
21 in an amount to be determined at trial, but not less than \$9,213.64,  
22 representing past-due and delinquent fringe benefit contributions owed by  
23 defendant pursuant to the terms of the labor and trust agreements to which  
McKnight Construction is a party;
- B. Judgment in favor of the Carpenters Trusts against McKnight Construction,  
in an amount to be determined at trial, but not less than \$1,002.00,

1 representing liquidated damages owed by defendant pursuant to the terms of  
2 the labor and trust agreements to which McKnight Construction is a party;

3 C. Judgment in favor of the Carpenters Trusts against McKnight Construction,  
4 in an amount to be determined at trial, representing accrued prejudgment  
5 interest owed by defendant pursuant to the terms of the labor and trust  
6 agreements to which McKnight Construction is a party;

7 D. Judgment against Dorrell McKnight individually, for joint and several  
8 liability with McKnight Construction for \$1,409.69, representing \$546.00 in  
9 employees' vacation pay and \$863.68 in employees' union dues withheld  
10 from employee paychecks but not remitted to the Carpenters Trusts;

11 E. An award of attorney fees of not less than \$5,000.00, plus costs of collection,  
12 as authorized by the labor and trust agreements to which McKnight  
13 Construction is a party, and as authorized under ERISA;

14 F. An award of post-judgment interest at the 12% rate specified by the  
15 applicable trust agreement, and as authorized under ERISA; and

16 G. Any other such relief under federal law or as is just and equitable.

17 Dated: July 31, 2018.

18 /s/ Jeffrey G. Maxwell

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